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FISCAL IMPACT STATEMENT

LS 6722

BILL NUMBER: SB 338

NOTE PREPARED: Jan 3, 2012

BILL AMENDED:

SUBJECT: Drug Use by TANF Recipients.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires that an application for assistance under the Temporary Assistance for Needy Families program (TANF) must contain a statement to be signed under the penalties of perjury by an individual who will receive TANF assistance that the individual: (1) does not currently use a controlled substance without a valid prescription or order of a practitioner acting in the course of the practitioner's professional practice; and (2) agrees not to use a controlled substance without a valid prescription or order of a practitioner acting in the course of the practitioner's professional practice while the individual is receiving TANF assistance.

Effective Date: July 1, 2012.

Explanation of State Expenditures: This bill would require the Division of Family Resources (DFR) to develop a form containing the specified statement. The DFR should be able to develop an electronic and/or paper form with the required statement within the current level of resources available. The bill does not define any administrative process if the applicant for TANF benefits refuses to sign the statement. The bill would require an applicant sign the statement under penalties of perjury. Perjury penalties are defined at I.C.35-44-2-1 and constitute a Class D felony.

Expenditures for TANF benefits may be reduced to the extent that individuals who perjure themselves must be discovered, prosecuted, and convicted. Eligibility for TANF benefits may be eliminated for 10 years under the Welfare Fraud Statute since the individual would have knowingly obtained benefits by means of a false or misleading oral or written statement. Individuals may be discovered to have committed perjury by way of the commission of another felony offense that has an element of possession, use, distribution, or manufacture of a controlled substance. A drug-related felony conviction would also eliminate the person's

eligibility for TANF benefits for 10 years. Current law allows for certain time-limited exceptions. It also provides that the assistance paid to a dependent child may not be affected by the conviction of a parent or essential person.

Penalty Provision: A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$3,318 annually, or \$9.09 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

State Agencies Affected: Division of Family Resources, FSSA, Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: I.C.12-14-1-1, I.C.35-43-5-7, I.C.35-48-4

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